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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 903**

02/16/2015 Authored by Anderson, P.,

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to energy; modifying the state's option to prepurchase propane and fuel  
1.3 oil for distribution to low-income customers; appropriating money; amending  
1.4 Minnesota Statutes 2014, section 216B.0951.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2014, section 216B.0951, is amended to read:

1.7 **216B.0951 ~~PROPANE~~ DELIVERED FUELS PREPURCHASE PROGRAM.**

1.8 Subdivision 1. **Establishment.** (a) The commissioner of commerce shall operate,  
1.9 or contract to operate, a ~~propane-fuel~~ delivered fuels prepurchase ~~fuel~~ program. The  
1.10 commissioner may contract at any time of the year to purchase ~~the lesser of one-third of the~~  
1.11 ~~liquid propane-fuel consumed by~~ delivered fuels up to the amount that can be purchased  
1.12 with 50 percent of the energy assistance provided to low-income home energy assistance  
1.13 program recipients during who heat with delivered fuels averaged over the previous three  
1.14 heating season or the amount that can be purchased with available funds seasons. The  
1.15 ~~propane-fuel~~ delivered fuels prepurchase program must be available statewide through  
1.16 each local agency that administers the energy assistance program. The commissioner may  
1.17 decide to limit or not engage in prepurchasing if the commissioner finds that there is a  
1.18 reasonable likelihood that prepurchasing will not provide fuel-cost savings.

1.19 (b) Delivered fuels purchased under this section may not be distributed to customers  
1.20 until August 1 each year.

1.21 (c) For the purposes of this section:

1.22 (1) "delivered fuels" means propane and heating fuel oil; and

1.23 (2) "heating fuel oil" has the meaning given in section 239.761, subdivision 7.

Subd. 2. **Hedge account.** The commissioner may establish a hedge account with realized program savings due to prepurchasing. The account must be used to compensate program recipients an amount up to the difference in cost for fuel provided to the recipient if winter-delivered fuel prices are lower than the prepurchase or summer-fill price. No more than ten percent of the aggregate prepurchase program savings may be used to establish the hedge account.

Subd. 3. **Report.** (a) ~~The department of Commerce shall issue~~ submit a report annually by June 30, ~~2008, made available electronically on its Web site and in print upon request, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy that contains the~~ following information:

- (1) the cost per gallon of prepurchased fuel;
- (2) the total gallons of fuel prepurchased;
- (3) the average cost of ~~propane~~ delivered fuels each month between October and the following April;
- (4) the number of energy assistance program households receiving prepurchased fuel; and
- (5) the average savings accruing or benefit increase provided to energy assistance households.

(b) The department shall post the report on its Web site.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

## Sec. 2. **APPROPRIATION.**

(a) The amount necessary to fulfill the requirements of Minnesota Statutes, section 216B.0951, subdivision 1, is appropriated annually from the general fund to the commissioner of commerce for that purpose.

(b) Each year the commissioner shall reserve an amount equal to the amount appropriated from the general fund in paragraph (a) from the federal funds transferred to the state under the low-income home energy assistance program, and shall transfer that amount to the general fund.

**EFFECTIVE DATE.** This section is effective the day following final enactment.